

May 9, 2011



Honorable Frank Foster, Chair
Committee Members
House Natural Resources, Tourism and Outdoor Recreation
P.O. Box 30014
Lansing, MI 48909

300 North Bridge Street
Grand Ledge, MI 48837

Phone: 517.925.8649

Fax: 517.659.5999

www.heartofthelakes.org

Dear Chairman Foster and House Natural Resources Committee Members:

Thank you for this opportunity to provide comments on House Bills 4577 and 4579, requiring full PILT payments on state-owned land purchased through the Michigan Natural Resources Trust Fund to be drawn from the Trust Fund. Heart of the Lakes Center for Land Conservation Policy strengthens the collective efforts of nonprofit land conservancies and organizations dedicated to the conservation of Michigan's environmentally and economically significant lands. Our members frequently partner with local communities and the State of Michigan in their efforts to acquire, develop and improve parks, trails and recreational lands.

The Michigan Constitution allows Payment in Lieu of Taxes (PILT) to come from the Michigan Natural Resources Trust Fund for state lands purchased with Trust Fund dollars. However, this legislation would unfairly place the PILT burden on the Trust Fund and would restrict future legislatures from meeting PILT obligations using General Fund dollars or other sources, if they choose. It is important to note that the Trust Fund does not pay 100% of land acquisitions.

Because state-owned public lands place little burden on the services that property taxes are meant to provide, and because public lands add revenues to local communities,¹ there are good arguments to be made for lower or even zero rates for PILT in some cases. Making PILT from the General Fund maximizes the amount of money available from the Trust Fund for local communities to acquire, improve and develop parkland, trails and recreational areas as part of their own economic and place-making strategies.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rachel Kuntzsch".

Rachel Kuntzsch
Executive Director

¹ *Comprehensive Study of Economic Valuation, Economic Impact Assessment and State Conservation Funding of Green Infrastructure Assets in Michigan*, Michigan State University Land Policy Institute, 2008